

Hearing Date and Time: 01/13/2020 at 11:00 a.m.

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UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF NEW YORK

)	
)	Chapter 11
)	
)	Case No. 19-76260-ast
In re:)	Case No. 19-76263-ast
)	Case No. 19-76267-ast
Absolut Facilities Management, LLC, <i>et al.</i> ,)	Case No. 19-76268-ast
)	Case No. 19-76269-ast
)	Case No. 19-76270-ast
Debtors. ¹)	Case No. 19-76271-ast
)	Case No. 19-76272-ast
)	
)	(Jointly Administered)
)	

**LIMITED OBJECTION OF THE UNITED STATES OF AMERICA TO MOTION OF
 THE DEBTORS FOR ORDERS (A) AUTHORIZING THE SALE OF THE DEBTORS'
 ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND
 INTERESTS (EXCEPT FOR ASSUMED LIENS AND LIABILITIES), (B)
 AUTHORIZING AND APPROVING THE ASSUMPTION AND ASSIGNMENT OF
 EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH
SUCH SALE AND (C) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Absolut Facilities Management, LLC (1412); Absolut Center for Nursing and Rehabilitation at Allegany, LLC (7875); Absolut Center for Nursing and Rehabilitation at Aurora Park, LLC (8266); Absolut Center for Nursing and Rehabilitation at Gasport, LLC (8080); Absolut at Orchard Brooke, LLC (1641); Absolut Center for Nursing and Rehabilitation at Orchard Park, LLC (8300); Absolut Center for Nursing and Rehabilitation at Three Rivers, LLC (8133); and Absolut Center for Nursing and Rehabilitation at Westfield, LLC (7924).

Comes now the United States of America, on behalf of its Department of Housing and Urban Development (“HUD”) and Department of Health and Human Services (“HHS”), acting through its designated component, the Centers for Medicare & Medicaid Services (“CMS”), and respectfully files this Limited Objection to the Debtors’ Motion For Orders (a) Authorizing the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Interests (Except For Assumed Liens and Liabilities), (b) Authorizing and Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection With Such Sale and (c) Granting Related Relief. *See* Docket Nos. 269 and 346. Under the terms of the Court’s Order approving bidding procedures for the sale of substantially all of the Debtors’ assets, objections to the proposed sale are due by January 10, 2020 at 4:00 pm. (Docket Entry # 323).

The United States, on behalf of HUD and/or HHS, will not object to the sale or assignment of the Debtors’ assets, subject to the following limitations: Any order or agreement concerning the sale or assignment of the Debtors’ assets, including any asset purchase, assignment or operations transfer agreement, shall include language preserving all of HUD’s and HHS’s rights and remedies, including that such sale or assignment shall not affect or alter any rights, remedies, claims or defenses of HUD or HHS under any agreements, documents, statutes, rules, regulations, regulatory agreements, policies, loan agreements, security agreements, leases, orders, or applicable law, and that Debtors, the New Operators, and the Landlords shall abide by all HUD and HHS statutes, regulations, policies, including but not limited to all current requirements in HUD handbooks, guides, notices or mortgagee letters, procedures, rules, and regulatory agreements. The United States further concurs with the Amended Limited Objection of Capital Funding, LLC. *See* Docket No. 387. In the absence of the limitations set forth above

in terms acceptable to the United States, the United States would object to the sale or assignment of the Debtors' assets.

As of the time of this filing, the United States and Debtors have been diligently working towards agreement on mutually acceptable terms, however, a proposed Sale Order has not yet been circulated to the parties. The United States, therefore, reserves its rights to formally object to Debtors' Motion prior to the Court's entry of any such Sale Order with respect to terms that are ultimately not agreed upon or that arise in the course of negotiation.

Dated: January 10, 2020

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Certificate of Service

On January 10, 2020 I electronically submitted the foregoing document with the clerk of court for the U.S. Bankruptcy Court, Eastern District of New York, using the electronic case filing system of the court. I hereby certify that I have served all parties electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

s/ Megan J. Freismuth
Megan J. Freismuth
Assistant U.S. Attorney